

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)	
)	
Lifeline Link Up Reform and)	WC Docket No. 11-42
Modernization)	
)	
Lifeline and Link Up)	WC Docket No. 03-109
)	
)	
Federal-State Joint Board on Universal)	CC Docket No. 96-45
Service)	

COMMENTS OF
THE JOINT CENTER FOR POLITICAL AND ECONOMIC STUDIES

INTRODUCTION

The Joint Center for Political and Economic Studies (“Joint Center”) respectfully submits these comments in response to the Commission’s Further Inquiry regarding the Universal Service Lifeline / Link Up Reform and Modernization Proceeding.¹ This proceeding is a rare moment for the Commission to advance opportunities for low-income populations in rural and urban areas that are affected by persistent poverty to use the power of a broadband-enabled Internet to improve their lives. We applaud the Commission for its work on this initiative, and look forward to partnering with it to ensure that the record is sufficiently populated with reliable and robust data on the nation’s low-income communities, which are disproportionately comprised of people of color.

¹ See Further Inquiry Into Four Issues in the Universal Service Lifeline / Link Up Reform and Modernization Proceeding, WC Docket Nos. 11-42, 03-109; CC Docket No. 96-45, DA 11-1346 (rel. Aug. 5, 2011) (“FNOI”)(*citing* Lifeline and Link Up Reform and Modernization; Federal-State Joint Board on Universal Service; Lifeline and Link Up, WC Docket Nos. 11-42, 03-109, CC Docket No. 96-45, Notice of Proposed Rulemaking, 76 Fed. Reg. 16482 (proposed March 23, 2011)(to be codified at 47 CFR Part 54)(“Lifeline Link Up NPRM”)).

I. The Lifeline Broadband Pilot Programs Should Be Evaluated Broadly, to Facilitate a More Granular Assessment and Promote Inter-Agency Coordination

The Commission has proposed a Lifeline Broadband Pilot Program (“Pilot”), the aim of which is to allow the Commission to “evaluate whether and how Lifeline/LinkUp [sic] can effectively support broadband adoption by low-income households.”² In the FNOI, the Commission seeks comment on “the structure of the pilot projects, how to evaluate the results of pilot projects, and what reporting requirements should be adopted for pilot participants.”³ Specifically, the Commission inquires as to the depth and robustness of the data it should seek to acquire, whether the leasing of broadband equipment should be measured, the quantitative metrics the Commission should use to assess the effect(s) of the pilot on improving broadband adoption rates, and other data it should seek to evaluate the effectiveness of the Pilot.⁴

The Commission should ensure prior to the Pilot that there is a careful process in place for selecting test areas. We submit that having each potential participant test a single design element would not be an efficient way to develop a robust dataset. Rather, the data the Commission gathers needs to be granular, with each participant testing multiple design elements, as the number of variables that should be tested may exceed the number of potential participants. Poverty-stricken U.S. Census tracts, communities with high concentrations of minority and immigrant populations, as well as “unserved” and “underserved” localities should be well integrated into the Pilot.

² Lifeline Link Up NPRM at 16507, ¶211.

³ FNOI at 3.

⁴ *Id.*

In addition to “price of the service, length of the offer, service type, and kind of device connected to the broadband,”⁵ the Commission should seek to acquire demographic data, and as the Pilot proceeds it should gather data showing its effects on innovation and economic development in blighted areas. For example, the Commission should seek to correlate the areas where the Pilot is being implemented with the creation of small and online businesses by new users, as well as fluctuations in unemployment trends before and after the Pilot is implemented. The Commission should also work in partnership with other agencies, particularly the Bureau of Economic Analysis, to develop a dataset that may be easily cross-tabulated with broader economic data, including consumer spending and local area personal income trends. The Commission should also engage think tanks, such as the Joint Center, that work closely with these targeted populations in the development of the Pilot and the selection of locations.

II. The Commission Should Adopt Permissive Consumer Eligibility Criteria

The Commission seeks guidance on whether to maintain current eligibility requirements for consumers participating in the Pilot, or whether it should revise its eligibility requirements and, if so, whether its revised requirements should be stricter or more permissive than the current requirements.⁶ The Joint Center believes that the Commission should err on the side of permissiveness, to ensure the requirements are sufficient but not excessive.

⁵ *Id.*

⁶ *See* FNOI at 2.

a. The Commission should set the threshold income for Pilot program eligibility to at least 150 percent above the Federal Poverty Guidelines.

The Joint Center's February 2010 National Minority Broadband Adoption Study shows that the high cost of broadband is a major adoption barrier for households earning *up to \$50,000 per year*.⁷ Thus, the Joint Center agrees with recommendations by the Benton Foundation and Leadership Conference on Civil and Human Rights' ("LCCR") that "the threshold income for eligibility should be raised to at least 150 percent above the Federal Poverty Guidelines ("FPG")."⁸

The Joint Center's study further revealed that the high cost of broadband remains a major broadband adoption barrier.⁹ Not accounting for the number of family members in a household, just 65 percent of black and 64 percent of Hispanic households earning between \$20,000 and \$50,000 had adopted broadband at home, compared to 79 and 82 percent respectively for black and Hispanic households earning \$50,000 or more.¹⁰ When looking at black and Hispanic households earning less than \$20,000, we found the Internet adoption rate dropped to 45 percent

⁷ JOHN P. GANT, NICOL E. TURNER-LEE, YING LI, & JOSEPH S. MILLER, NATIONAL MINORITY BROADBAND ADOPTION: COMPARATIVE TRENDS IN ADOPTION, ACCEPTANCE AND USE 13 (2010) ("Joint Center Broadband Adoption Study") available at <http://www.jointcenter.org/research/national-minority-broadband-adoption-comparative-trends-in-adoption-acceptance-and-use> (last visited September 1, 2011).

⁸ *Id.* (citing Comments of the Benton Foundation, Lifeline and Link Up Reform and Modernization, WC Docket No. 11-42 at 10 (April 21, 2011)); *See also* Comments of The Leadership Conference on Civil and Human Rights, Federal-State Joint Board on Universal Service, Lifeline and Link-Up, CC Docket 96-45, WC Docket No. 03-109 ("LCCR Comments") (April 21, 2011).

⁹ Joint Center Broadband Adoption Study at 40.

¹⁰ *Id.* at 18.

and 31 percent respectively.¹¹ But the FPG establish that, within the 48 contiguous states and D.C., the federal government will not consider a family of three earning more than \$18,530 to be living in poverty.¹² Thus, at 100% of the FPG, three-person households, which have not adopted broadband, and which earn between \$18,531 and \$20,000, would not qualify for the Pilot. However, setting the income threshold at 150 percent of the FPG would allow the same family of three to earn \$27,795 before being disqualified from participation in the Pilot. Thus, the Joint Center believes that 150 percent above the FPG would be a more realistic income requirement.

b. The Commission should adopt a “household” definition that reflects the nuances of the modern American family.

The Commission also seeks guidance on how the Pilot should define “household.” As LCCR explains, “more than one household can often reside at one address, for example, through multiple households in a homeless or domestic violence shelter, and given the reality of families sharing homes during difficult economic times.”¹³ The Joint Center agrees with LCCR and the Minority Media and Telecommunications Council (MMTC) in their separate conclusions that the Commission should use the definition used in the Low Income Home Energy Assistance Program (“LIHEAP”), which defines a household as “any individual or group of individuals who are living together as one economic unit...”¹⁴ The Joint Center also encourages the Commission to define “dwelling” broadly, to include shelters or commercial rental property. Moreover, the

¹¹ *Id.*

¹² See U.S. DEP’T. OF HEALTH and Human Services, POVERTY GUIDELINES (2011) available at <http://aspe.hhs.gov/poverty/11poverty.shtml> (“FPG”)(last visited August 2, 2011).

¹³ LCCR Comments at 8.

¹⁴ FNOI at 4.

Joint Center recommends that “household” include traditional and non-traditional family units.

The critical element will be defining how the Internet connection is facilitated. That is, will there be one connection per household? Will there be a secured wireless option available to several families within a household? Who will be the qualifying adult for the service being provided by the Pilot, i.e., the head of the household or the bill payer? These are but some of the questions intricately tied to the definition of household eligibility and we encourage the Commission to give them active attention.

As the Commission embarks on its Pilot program to determine the structure and viability of a broadband adoption initiative, it is critical to understand that cost is only one of many barriers. Other barriers include low basic and digital literacy, limited access to Internet-enabled devices, and poor sources of technical support. The segmented market needs for non-adopters, racial and ethnic minorities, older populations and people with disabilities, should also be integrated into the structure of the Pilot.

The Joint Center also urges the Commission to measure both the tangible and intangible outcomes resulting from the Pilot. Tangible outcomes might include:

- improved and/or expanded broadband infrastructure in low-income communities;
- expanded public access points at libraries, schools, and community centers;
- jobs created and/or wage increases as a result of the available broadband infrastructure;

- increased consumer access to affordable computer devices and software applications;
- improved linkages to social services supports (e.g., health care, public benefits, job training, etc.); and,
- lower costs for low-income households.

In addition to these tangible outcomes, the Joint Center encourages the Commission to evaluate more intangible outcomes that might be more difficult to measure, but which evince the impact of broadband on quality of life. These might include:

- increased civic engagement and participation;
- improved educational outcomes and life choices;
- enhanced linkages to Internet social networks for job and child care opportunities; and,
- modified consumer behaviors that promote a healthier consumption environment.

Overall, the cost of digital exclusion is high for particular groups and understanding how we reach these tangible and intangible outcomes will serve to reduce these disparities in a targeted way. Moreover, the Commission should seek to promote and support media and digital literacy training that is multicultural and accessible yet challenging, based on the literacy level of the relevant population.

Finally, the Joint Center also urges the Commission to assess the value of public-private partnerships, and where appropriate, not only engage ISPs, but also software development and high tech companies in the formation and implementation of the pilot. The Commission might consider the creation of a Broadband Adoption Pilot Task Force consisting of representatives from the private sector, along with grassroots, minority-serving, and community-based organizations, to help push forward the Pilot.

CONCLUSION

Whenever the nation suffers from economic hardship, the Commission must appreciate the fact that communities of color are those most deeply and adversely affected. But their fortunes lag the rest of the population when the economy is booming, as well. Whether times are good or bad, low income people struggle to obtain the basic tools that they can use to build better lives and to help lift their communities out of poverty. The Commission has clearly indicated that, in the modern era, broadband is certainly one of those essential tools, and that it is in the national interest to improve rates of broadband access and adoption in all communities – and to leave no one behind. Ensuring use of the most accurate and relevant data on broadband availability and adoption in America’s low income communities is vital to the success of any evaluation or intervention of this nature, as is paving the way for gathering the most accurate and useful evidence on how programs are working. We hope that the Commission will continue to not only do its part, but also work in partnership with other agencies to ensure its data is not only reliable, but also responsive to the broader economic dialogue.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Ralph B. Everett', followed by a large, stylized circular flourish.

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